

Planning & Development Division Planning & Economic Development Department

Room 160 411 West First Street Duluth, Minnesota 55802



Rebuild Duluth - FAQ

Q: As potential homeowners/residents of the property, could we work with a builder and submit an RFP?

A: Yes. This program is not designed to target a specific population. Any and all proposals from interested homeowners, builders, developers, etc. will be considered.

Q: Will the list of qualifying builders be made available to the public? We would be curious to know any local builders who specialize in small, innovative designs in case we end up with a lot somewhere else in the area.

A: Yes. This program is designed to build a collective knowledge of innovative construction methodologies to help lower costs. Because of this, the program includes an evaluation of each accepted project that will consolidate a collection of budget/timeline information, labor involved, photos, and site/elevation designs.

Q: Our annual net income as a retired couple is probably around \$60-70K. Is that too high for this program? If the answer is yes, our income is too high, the rest of the questions are irrelevant.

A: There is not an income qualification process for this program. We will consider proposals that can achieve the goals of the program and build housing that can be purchased at an affordable cost. A generally accepted standard for affordable housing is 30% of gross income paid toward housing costs. Therefore, a household earning \$50,000 could potentially afford to purchase an owned unit in the price range of \$150,000 to \$180,000, pending credit, down payment, and other factors.

Q: All the lots have city utilities available but in some case extensions will be needed to bring the utility to the lot. Is that correct?

A: Correct.

Q: Is a one-story house plan acceptable for some lots?

A: Yes, we are interested in all types of house plans so long as the project proposal is consistent with the goals identified in the program.

Q: Does the city have say in what happens to the house in a few years if we need to sell?

A: Once the land is conveyed to the selected applicant. The land is yours to do as you please, so long that the agreement (prior to land conveyance) is upheld and construction concludes no later than December 31st, 2021.

Q: Are some of the lots on the list reserved for multi-family projects only?

A: None of the lots are reserved for a specific purpose. The City and DEDA, when reviewing proposals will consider projects that best serve the land available while maximizing affordability variables and the point system listed in the Program Guidelines.

Q: I'm unsure about the submissions. Do you expect developers to do a preliminary design and budget for every lot? Or just select the one/s they are most interested in?

A: We expect developers to submit materials on each of their "desired sites" – located near the bottom of the application form. Some developers may wish to submit just one preliminary design and budget to be used toward all of their desired sites as well.

 \mathbf{Q} : What is the definition of "affordable" for this initiative? Affordable for what income range?

A: What is affordable is different for different people. Ultimately the goal of the Rebuild Duluth Program is to challenge the current costs to develop housing and find ways to develop new housing at a lower cost. The city is looking for concepts that make housing more affordable and applications will be scored based on this success.

Q: The program guidelines indicated the scoring rubric would consider "other criteria", can you speak to what that criteria is?

A: Staff indicated "other criteria" refers to a proposals alignment with Rebuild Duluth's goal for ingenuity and that of the Imagine Duluth 2035 Comprehensive Plan. An application lacking detail or completion would also be more challenging to score.

Q: The scoring rubric refers to housing density and affordability, can you speak to how multi-family units would be scored?

A: Scoring scale will need to be modified to say "max construction cost per unit".
Q: How will the structures durability and style be scored?
A: Proposals will need to meet the state's building code, which has existing expectations for quality.
Q: When referring to a proposals affordability, does that include the estimated lot price?
A: No, the lot price does not need to be factored into your proposals cost estimate. Future affordable developments would have to consider the lot price, but that is separate from this program.
Q: Can you speak more to how style will be factored into the scoring process?
A: Staff indicated there is no built in preference for building style, but applications should articulate what the dwelling would look like, whether that's a computer drawing or hand sketch. The application should provide staff a good idea of what the design will look like from a street view.
Q: Who are the members of selection committee and what are their qualifications?
A: While the selection committee has not yet been determined, it will comprise of City employees from Engineering, Planning, and Construction Services as well as representatives from partners in Duluth that work in housing. We hope to include representatives from the architectural community as well. The intent is to comprise a panel with an array of expertise.
Q: What if an applicant is selected based on their proposals looks, but that plan doesn't meet criteria down the road. I'm curious whether applicants will be able to consult with the panel prior to submitting their applications?

A: The selection committee will not make choices based on style preference. Construction Services and Engineering Staff with the City of Duluth are available to answer questions about code and design feasibility/alternative options. Once applicants are selected, they will still be required to obtain all necessary building permits where additional consultation will be necessary.

Q: How are you deciding if an applicant has the ability to construct the house as proposed?

A: Staff will refer to the City of Duluth's Construction Services permitting staff for building code requirements.

Q: Have you considered dedicating a specific staff person in the building permit office for this program?

A: Chris Kibler in the Construction Services office is familiar with the program and can answer questions, however regardless of staff person, answers should be uniform. Construction Services and Inspections is located in room 100 of Duluth City Hall. Alternatively, they can be reached at 218-730-5240.

Q: Will there be streamlined process across the different City divisions during plan review?

A: Selected applicants will still need to comply with building permits, and review of those submissions typically takes 14 days to review. The review process is extended if applications lack information or detail.

Q: Why do these need to be connected to the grid if they are supposed to be innovative?

A: While we love the idea and think it should be explored further, the requirement of utility connection is to ensure we didn't receive proposals for tiny houses on wheels. Proposed structures need to be on a

permanent foundation that meets code. The program's intent was to create homes that are part of an existing neighborhood, and not off the grid. We are open to gas and electrical alternatives, but drilling private wells would not be possible.

Q: Applications are due in 28 days and there is the Christmas holiday. How can applicants reasonably determine construction costs in that time?

A: We are asking for conceptual level drawings and estimates at this time. There may need to be extensions in the timeline down the road and we will be flexible as we move forward. At this conceptual level we hope to determine program interest and we anticipate the number of applications to exceed the number of available lots. We do hope this model continues in the future as there is considerable tax forfeit land we'd like back in the hand of citizens. Applications don't have to be a definite cost per square foot rather a construction estimate. Proposals will be evaluated on the basis of reasonableness.

Q: What if an applicant just puts \$100,000 for construction costs but it's not accurate.

A: We are looking for innovative ideas and reasonable cost estimates and don't expect exact numbers at this stage of review.

Q: Sustainability is a program goal and the rubric mentions a buildings energy efficiency, what about the carbon in the materials used to construct the house?

A: If building materials will reduce the amount of carbon use, please mention that in the application as it would receive favorable consideration. Encouraged folks to include that as part of their narrative even though it's not called out verbatim in the scoring rubric.

Q: Questioned if at the end of the process the developer is expected to keep or sell the lot for a certain price.

A: The program's goal is affordability up front and not necessary long term. There will not be future mandates for affordability on these homes. Applicants could choose to owner occupy, rent, or sell. There will not be any covenants on the lot. The purpose of the program is to develop a collective knowledge on what types of affordable housing proposals exist so we can potentially use these strategies in the future.

Q: Home prices have increased across town, how do you intend to keep these affordable?

A: The intent of this program is initial affordability and future replicability. Our goal is to see what design options are out there that balance affordability, sustainability, and functionality. Hopefully we see some really innovative ideas that can be applied in the future to vacant lots.

Q: Should the construction estimates include site development or just construction of the dwelling?

A: Estimates should be for entire site development. We realize we set an ambitious goal and this is a pilot program from which we hope to receive creative ideas and concepts.

Q: Are there any evaluation metrics after completion of the application process?

A: There will be future requirements for final construction budget and timeline as we will want to know what challenges are faced during site development so we can learn and adapt in the future. A major goal of this program is replicability.

Q: Are you looking for one drawing per lot?

A: Essentially yes. There are no guidelines but if your designs are specific to a certain lot, it would be a good idea to submit drawings for each. You can submit multiple options with your application.

Q: Your scoring rubric indicates multi-family and accessory dwellings would receive higher points, can you submit different proposals or variations for a single lot?

A: Yes, you could submit a proposal with multiple options for a single lot, such as single family home or single family home plus attached accessory dwelling.
Q: Does the accessory dwelling need to be finished?
A: The actual design and final product will be regulated by construction services.
Q: Will you relax the multi-family zoning requirements for these proposals?
A: No, special use permits or variances would need to be obtained if proposals do not meet the zoning requirements. Staff cautioned against submitting plans that would require such variances or special uses permits. Sites that are zoned as R1 and would currently allow a two family dwelling plus one accessory dwelling.
\mathbf{Q} : The program guidelines indicate that construction needs to be completed in 18 months or the lot reverts back to the City. How firm is this deadline?
A: The deadline for construction is 12/31/2021.
Q: What about a catastrophic event, how rigid is this deadline?
A: Staff indicated it is difficult to answer without knowing the circumstances but extensions are not impossible and things do happen. Specific terms and conditions would be cleared up in the agreement once applicants are selected.
$\boldsymbol{Q}\mbox{:}$ Will the agreement require anything of a developer that we would want to know now?

A: These details would be addressed during future development meetings with selected applicants.
Q: Are there any off-street parking requirements?
A: Requirements will default to the zoning code. At least one off street parking space is likely required for single family home.
\mathbf{Q} : Some of the vacant lots had foundations from old structures, do you have information on which lots do or do not and how extensive removal and excavation would be?
A: We encourage reaching out to Construction Services and Engineering with technical questions.
Q: Can you assist with information on site geology and conditions?
A: Our information is quite limited in terms of geology, however we encourage applicants to reach out to Construction Services with site specific questions.
*Staff clarified that on site five there is no immediate alley access and a curb cut might not work, therefore there may be more flexibility on parking requirements for this site.
Q: Are the lots free of any liens or pending assessments?
A: Yes
Q: Are there existing easements on these lots we should know about?

A: There is one lot out in Lester Park that has an easement issue we are working on that will be completed before conveyance of the land.
Q: Site three had a comment about the utility extensions, was this for the primary or secondary lot?
A: That was for the primary lot, but staff encourage applicants to speak with Public Works or Engineering for specifics.
Q: Will these homes be subject to utility connection?
A: Yes.
\mathbf{Q} : The online document refers to geotechnical feasibility, what is this referring to at this point in the application process?
A: This is referring to known conditions in Duluth such as the presence of bedrock or difficult soil conditions for building.
Q: Would composting toilets be allowed? Is there an option not to connect to City sewer?
A: These would need to connect to City sewer. Specific septic system questions can be directed to the St. Louis county Environmental division.